



February 25, 202

RE: SF1402 – Medical Assistance Rate Adjustments Establishment for Physician and Professional Services

Dear Chair Wiklund, Vice Chair Mann, and Members of the Health and Human Services Committee,

Thank you for hearing legislation aimed at reforming reimbursement rates for physicians. The Healthcare Leaders Association of Minnesota (HLAMN formerly MMGMA), and the Minnesota Society of Interventional Pain Physicians (MSIPP) join other stakeholders, including the Minnesota Medical Association in supporting SF1402.

HLAMN is an organization of healthcare business leaders and executives who work together to improve the health status of the community and patients they serve. This provision is essential for ensuring that primary care providers are compensated and that patients have access to high-quality healthcare services. MSIPP is the pain physician association dedicated to promoting the development and practice of safe, high-quality, cost-effective interventional pain management techniques.

The provision mandates that, effective January 1, 2026, or upon federal approval, reimbursement rates for primary care services under the resource-based relative value scale must be at least equal to 100 percent of the Medicare Physician Fee Schedule. This adjustment is crucial for aligning state reimbursement rates with federal standards, thereby promoting fairness and consistency in provider compensation.

Additionally, the provision requires the commissioner to increase capitation payments to managed care plans and county-based purchasing plans to reflect the rate increases. This ensures that the increased funds are appropriately directed to primary care providers, enhancing their ability to deliver essential services. The monitoring of the rate increase's impact on enrollee access to services is a vital step in ensuring that the intended benefits are realized.

By supporting this provision, we can address the financial challenges faced by primary care providers, improve patient access to care, and strengthen the overall healthcare system in Minnesota. Fair reimbursement rates are fundamental to maintaining a robust network of primary care providers who are essential to the health and well-being of our communities. This legislation represents a significant step forward in ensuring equitable compensation for primary care services and improving healthcare access for all Minnesotans.

HLAMN and MSIPP greatly appreciate the legislature's consideration of this bipartisan effort to improve physician reimbursement.